

## Internet Appendix

### Disclosure Statement for John M. Griffin for “Ten Years of Evidence: Was Fraud a Force in the Financial Crisis?”

- *Each author of a submitted article should identify each interested party from whom he or she has received significant financial support, summing to at least \$10,000 in the past three years or that will exceed this threshold under contracts in place at the time of submission. Support includes financial support (e.g., consulting fees, retainers, grants, research support, equity shares or stock options, and the like), and in-kind support (e.g., access to data). An interested party is any individual, group, organization, or business entity that has a stake (e.g., financial, political, regulatory, etc.) related to the article.”*

Because of my early work on credit rating agencies, I was asked to be a consultant for the U.S. DOJ on a more than four-year investigation which ultimately led to a settlement of the U.S. DOJ against S&P. From that contract, a company (Integra FEC) developed that primarily assists government entities in fraud investigations. I am an owner/CEO of Integra FEC LLC and Integra REC LLC. Data used in most of my papers related to RMBS securities was purchased by Integra FEC LLC, a Texas LLC.

Integra FEC LLC’s clients in issues related to credit ratings or structured products over the last few years have been federal agencies (DOJ and SEC), state DOJ’s, and a few private law firms. Integra FEC LLC has engaged in consulting on a variety of issues including credit ratings and RMBS fraud.

Integra REC LLC’s clients have primarily been pension funds. Integra REC LLC has and may still be a party to lawsuits regarding mortgage fraud. Integra REC is alleging that pension funds were defrauded through mortgage fraud. Since Integra REC is a party to the litigation, it has and may still receive a percentage of recoveries as payment for its work.

- *Each author should disclose any and all paid or unpaid positions as an officer, director, corporate advisor, or board member of relevant non--profit organizations or profit--making entities. A “relevant” organization is one whose policy positions, goals, or financial interests relate to the article.*

Griffin is an owner/CEO of Integra FEC LLC and Integra REC LLC.

- *The disclosures required above apply to any close relative or partner of any author.*

I am not aware of any close relatives who consult on issues related to this paper.

- *Each author must disclose if another party had the right to review the paper prior to its circulation.*

No third-party had a right to review the paper.

- *If any support provided to an author by an interested party is subject to any non--disclosure obligation, this fact must be disclosed to the Journal along with the nature of the conflict.*

The names of and specific contractual arrangements with the clients of Integra FEC LLC and

the sealed (non-public) legal actions of Integra REC LLC are in some cases confidential either by state statute or subject to non-disclosure agreements.

**Table A1. Percentage Mentions of Fraud-Related Words by Book, Ranked by Popularity**

This figure shows the total number of mentions (on a square-root scale) of "fraud," "corruption," "conflicts of interest," "misreporting," and "misrepresentation" (and all related forms) for 77 leading books related to the 2008 financial crisis. Books are sorted descending by the total number of reviews they have on Amazon. Books were selected by filtering Amazon's best seller rankings for books that mention financial crisis. The list was further filtered to exclude books that have not been cited per Google Scholar. Journalistic books include books written by journalists, private or governmental researchers, and people with PhDs and/or some university affiliation but with significant industry experience.

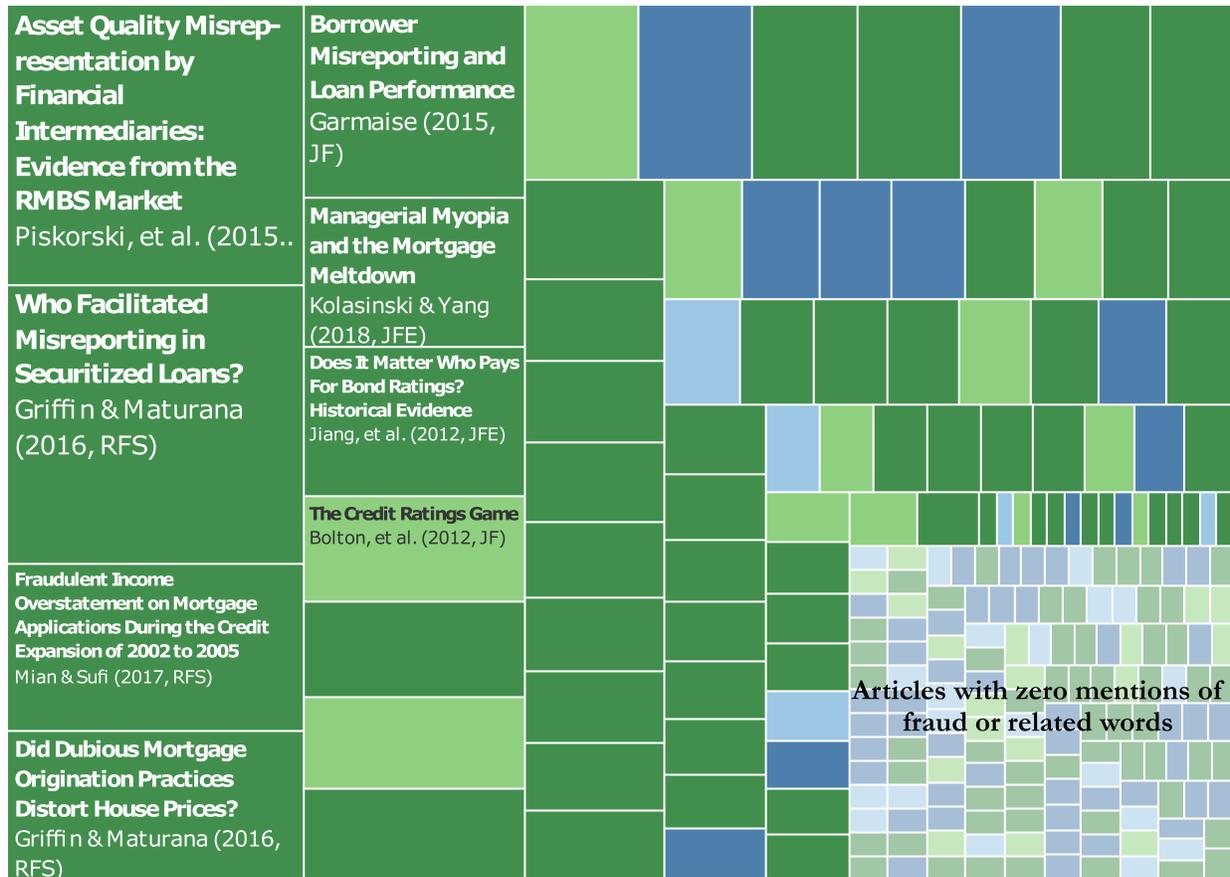


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Table A1—continued



**Figure A1. Mentions of Fraud-Related Words by Article Classification**



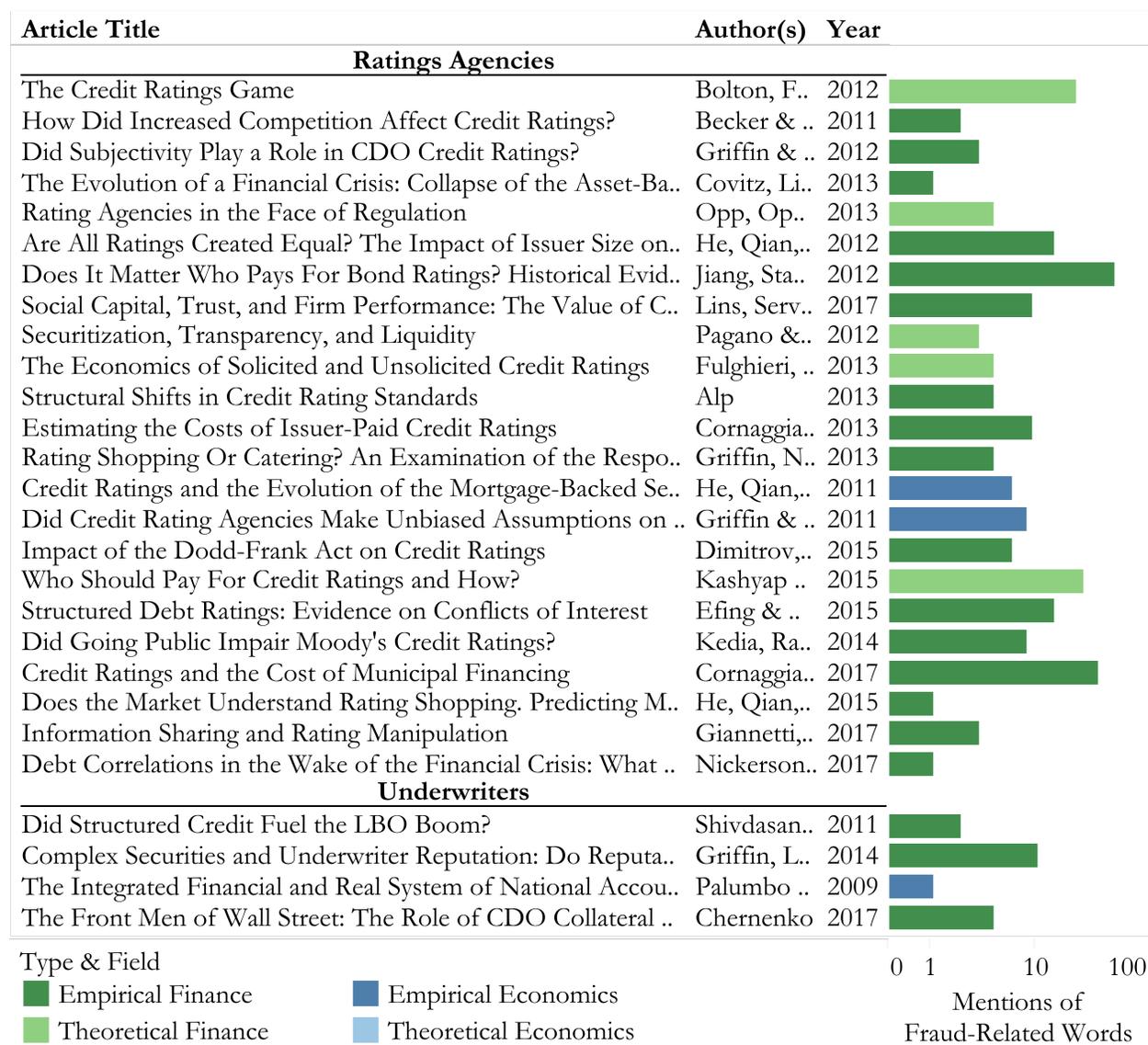
Type & Field

- Empirical Finance
- Theoretical Finance
- Empirical Economics
- Theoretical Economics

This figure visualizes the proportion of mentions of "fraud," "corruption," "conflicts of interest," "misreporting," and "misrepresentation" (and all related forms) of total word count for 217 published academic articles related to financial crises. The size of each rectangle is relative to the mentions of fraud and related words as a proportion of total word count for a given article. The range is from 0% to 0.20%. Only articles published between 2008 and September 2018 to top journals (American Economic Review, The Journal of Finance, Journal of Financial Economics, Journal of Political Economy, Quarterly Journal of Economics, and The Review of Financial Studies) that mentioned financial crisis were included. These articles were then classified by field (economics if published to an economics journal, finance if published to a finance journal) and type (empirical or theoretic, based on the primary purpose of the paper). 149 of the 217 (69%) make no mention of fraud or related words. Of the 149 that make no mention, there are 63 empirical finance articles (out of 110 total), 18 theoretical finance articles (of 28 total), 22 theoretical economics articles (of 25 total), and 46 empirical economics articles (of 54).

**Table A2. Mentions of Fraud-Related Words by Article Classification**

This figure shows the total number of mentions of "fraud," "corruption," "conflicts of interest," "misreporting," and "misrepresentation" (and all related forms) for 217 published academic articles related to financial crises. Articles with no mentions of fraud or related words are excluded from this figure. The figure is categorized by which major player in financial crisis is mentioned most frequently in the article. These players (banks, ratings agencies, underwriters, originators, individuals, and appraisers) were ranked and selected by the number of mentions of each player within each article. Within each section, articles are sorted descending by the number of times they have been cited from Google Scholar, as of September 2018. Only articles published between 2008 and September 2018 in top journals (American Economic Review, The Journal of Finance, Journal of Financial Economics, Journal of Political Economy, Quarterly Journal of Economics, and The Review of Financial Studies) that mentioned financial crisis were included. These articles were then classified by field (economics if published to an economics journal, finance if published to a finance journal) and type (empirical or theoretic, based on the primary purpose of the paper). 149 of the 217 (69%) make no mention of fraud or related words.



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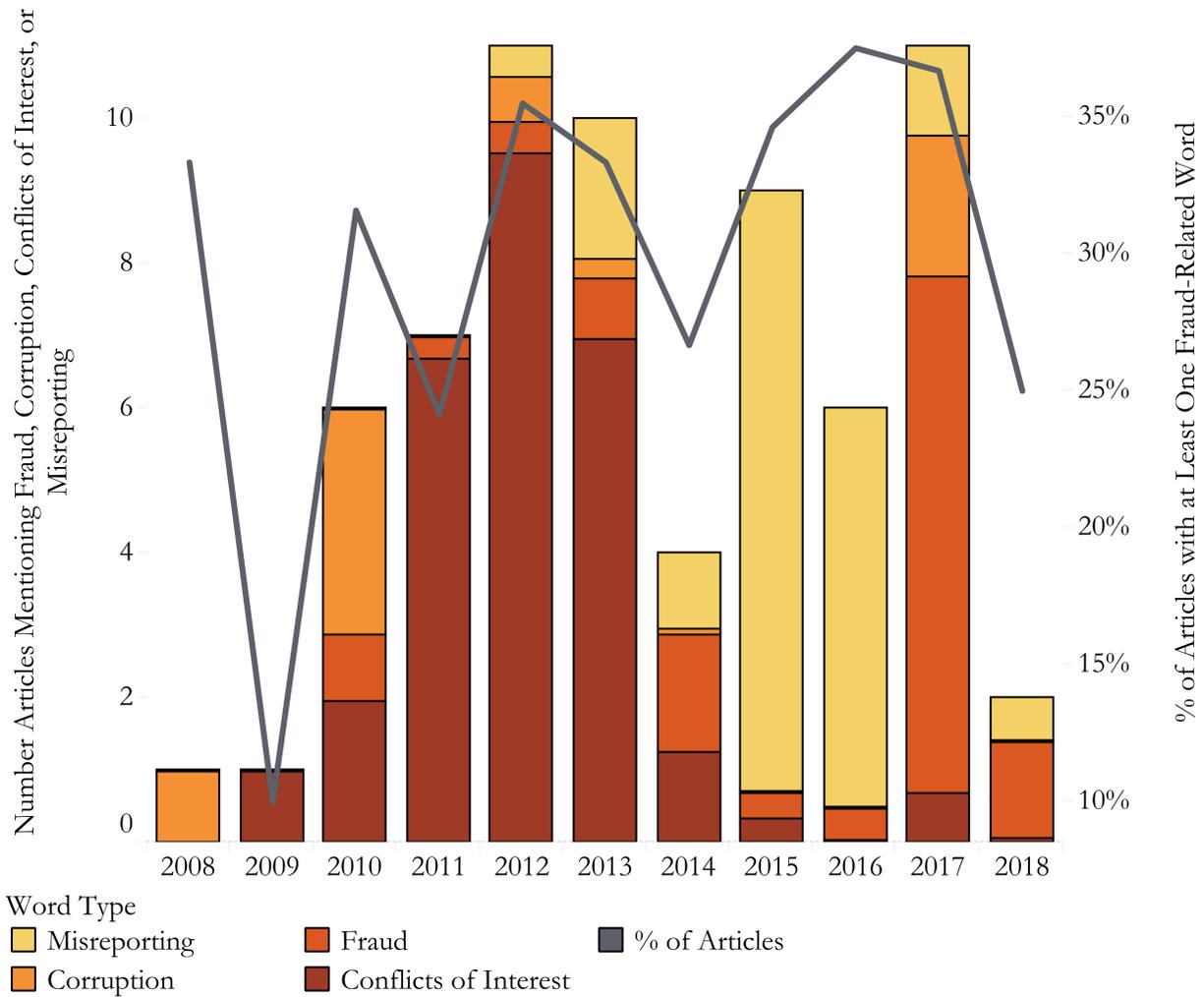
Table A2—continued

Article Title	Author(s)	Year	
<b>Originators</b>			
Did Securitization Lead to Lax Screening? Evidence From Su..	Keys, Mu..	2010	1
How Does Capital Affect Bank Performance During Financi..	Berger & ..	2013	1
Securitization and Distressed Loan Renegotiation: Evidence ..	Piskorski, ..	2010	5
The Role of Securitization in Mortgage Renegotiation	Agarwal, ..	2011	5
Asset Quality Misrepresentation by Financial Intermediaries: ..	Piskorski, ..	2015	100
Loan Originations and Defaults in the Mortgage Crisis: The ..	Adelino, S..	2016	10
The Impact of Securitization on the Expansion of Subprime ..	Nadauld ..	2013	5
Predatory Lending and the Subprime Crisis	Agarwal, ..	2014	10
Credit-Induced Boom and Bust	Di Maggi..	2017	5
Who Facilitated Misreporting in Securitized Loans?	Griffin & ..	2016	100
Fraudulent Income Overstatement on Mortgage Application..	Mian & S..	2017	100
Borrower Misreporting and Loan Performance	Garmaise	2015	100
Design of Financial Securities: Empirical Evidence From Pri..	Begley & ..	2016	5
The Effect of Mortgage Securitization on Foreclosure and M..	Kruger	2018	10
Did Dubious Mortgage Origination Practices Distort House ..	Griffin & ..	2016	100
Credit Rationing, Income Exaggeration, and Adverse Selectio..	Ambrose,..	2016	10
Managerial Myopia and the Mortgage Meltdown	Kolasinsk..	2018	10
<b>Banks</b>			
Securitized Banking and the Run on Repo	Gorton &..	2012	1
Econometric Measures of Connectedness and Systemic Risk ..	Billio, Get..	2012	1
The Credit Crisis Around the Globe: Why Did Some Banks ..	Beltratti ..	2012	10
Overborrowing and Systemic Externalities in the Business C..	Bianchi	2011	1
The Effect of Banking Crisis on Bank-Dependent Borrowers	Chava & ..	2011	1
This Time Is the Same: Using Bank Performance in 1998 to ..	Fahlenbra..	2012	1
The Seeds of a Crisis: a Theory of Bank Liquidity and Risk T..	Acharya ..	2012	1
Crisis Resolution and Bank Liquidity	Acharya, ..	2010	1
Running For the Exit? International Bank Lending During a ..	De Haas ..	2013	1
Bank Valuation and Accounting Discretion During a Financi..	Huizinga ..	2012	10
The Political Economy of Financial Regulation: Evidence fro..	Benmelec..	2010	10
The Role of Policy in the Great Recession and the Weak Rec..	Taylor	2014	1
Economic Effects of Runs on Early Shadow Banks: Trust C..	Frydman, ..	2015	1
<b>Individuals</b>			
Systemic Crises and Growth	Ranciere, ..	2008	1
The Political Economy of the US Mortgage Default Crisis	Mian, Sufi..	2010	10
Foreclosures, House Prices, and the Real Economy	Mian, Sufi..	2015	1
Does Family Control Matter? International Evidence From t..	Lins, Vol..	2013	10
Reverse Mortgage Loans: A Quantitative Analysis	Nakajima ..	2017	1
Misinformed Speculators and Mispricing in the Housing Mar..	Chinco &..	2015	10
From Wall Street to Main Street: The Impact of the Financial..	Ramchara..	2016	1
Consumer Ruthlessness and Mortgage Default during the 20..	Bhutta, D..	2017	10
Consumer Default, Credit Reporting, and Borrowing Constr..	Garmaise ..	2017	1
Precommittments For Financial Self-Control: Micro Evidence..	Cho & Ru..	2017	1

Type & Field		0	1	10	100
Empirical Finance	Empirical Economics	Mentions of Fraud-Related Words			
Theoretical Finance	Theoretical Economics				

**Figure A2. Mentions of Fraud-Related Words in Financial Crisis Articles by Year**



This figure details the trend of usage of "fraud," "corruption," "conflicts of interest," "misreporting," and "misrepresentation" (and all related forms) in 217 top academic articles mentioning financial crisis from 2008 through September 2018. The bars are segmented by usage of each fraud-related word in proportion to total fraud-related word usage in that year. The line on the graph shows the percentage of published articles to use fraud-related words at least once that year. Only articles published between 2008 and September 2018 in top journals (American Economic Review, The Journal of Finance, Journal of Financial Economics, Journal of Political Economy, Quarterly Journal of Economics, and The Review of Financial Studies) that mentioned financial crisis were included. 149 of the 217 (69%) make no mention of fraud or related words.